



County of San Bernardino

F A S

CONTRACT TRANSMITTAL

FOR COUNTY USE ONLY

<input type="checkbox"/> New <input checked="" type="checkbox"/> Change <input type="checkbox"/> Cancel	Vendor Code	SC	Dept.	A	Contract Number 02-842 A-1
County Department Economic and Community Development		Dept. ECD	Orgn. ECD	Contractor's License No. n/a	
County Department Contract Representative Thomas R. Laurin, Director Brian Turnbull		Telephone (909) 388-0808 (909) 388-0855		Total Contract Amount \$400,000	
Contract Type <input type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input checked="" type="checkbox"/> Unencumbered <input type="checkbox"/> Other:					
If not encumbered or revenue contract type, provide reason:					
Commodity Code		Contract Start Date		Contract End Date	Original Amount \$325,000
					Amendment Amount \$75,000
Fund SAS	Dept. ECD	Organization ECD	Appr. 200	Obj/Rev Source 2006	GRC/PROJ/JOB No. 00005053
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.
Project Name HOME Program Loan to Central City Lutheran Mission – Fifth District			Estimated Payment Total by Fiscal Year		
			FY	Amount	I/D
			All funds disbursed at close of escrow		

CONTRACTOR Central City Lutheran Mission

Federal ID No. or Social Security No. 33-0634580

Contractor's Representative Brandi Malone, Director, Supportive Housing Program

Address 1354 North "G" Street, San Bernardino, CA 92405 Phone (909) 381-6921

Nature of Contract: *(Briefly describe the general terms of the contract)*

This Agreement Amendment between the County and the Central City Lutheran Mission (CCLM), provides additional funds in the amount of \$75,000 from the HOME Program for security fencing and lighting, roof repairs and tenant improvements which will increase the number of bedrooms and allow CCLM to serve additional clients.

The attached amendment consists of 10 pages.

(Attach this transmittal to all contracts not prepared on the "Standard Contract" form.)

Approved as to Legal Form (sign in blue ink) County Counsel Date <u>May 9, 2003</u>	Reviewed as to Contract Compliance Date <u>May 9, 2003</u>	Presented to BOS for Signature Department Head Date _____
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Auditor/Controller -Recorder Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

FIRST AMENDMENT TO THE AGREEMENT
BETWEEN THE COUNTY OF SAN BERNARDINO
AND THE CENTRAL CITY LUTHERAN MISSION
(AGREEMENT NO. 02-842 A-1)

This First Amendment to Agreement No. 02-842, hereinafter referred to as “AMENDMENT,” is made and entered into by and between the County of San Bernardino, hereinafter referred to as “COUNTY,” and the Central City Lutheran Mission, hereinafter referred to as “CCLM.”

WHEREAS, COUNTY and CCLM previously entered into Agreement No. 02-842, in the amount of \$325,000 and hereinafter referred to as “AGREEMENT,” to allow CCLM to utilize HOME Investment Partnership Act (HOME) funds for the acquisition and rehabilitation of CCLM’S Supportive Housing Program facilities; and,

WHEREAS, COUNTY, has approved additional HOME funding in the amount of seventy five thousand dollars (\$75,000) for security financing and lighting, roof repairs, and tenant improvements which will increase the number of bedrooms and allow CCLM to serve additional clients; and,

WHEREAS, COUNTY and CCLM desire to amend AGREEMENT to obligate additional funds to CCLM’S Supportive Housing Program facilities.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the parties agree as follows:

1. Replace AGREEMENT Section 101 (20) with new NOTE.
 20. “Note” shall mean the Promissory Note in the principal amount of Four Hundred Thousand Dollars (\$400,000) evidencing the COUNTY loan.
2. Replace AGREEMENT Section 101 (24) with new PROPERTY.
 24. “Property” shall mean the real properties located in 539 West Shamrock Street and 349 West Jackson Street in Rialto, CA (APN 0127-361-17 and 0127-302-14).
3. Replace AGREEMENT Promissory Note with new PROMISSORY NOTE.
4. Replace AGREEMENT Deed of Trust with new DEED OF TRUST.

PROMISSORY NOTE

Straight Note Interest Bearing
(This note contains an acceleration clause)

FOR VALUE RECEIVED, the UNDERSIGNED BORROWER promises to pay to the order of the Department of Economic and Community Development, an agency of the County of San Bernardino, located at 290 N. "D" Street, 6th Floor, San Bernardino, California (COUNTY), the Lender, the principal sum of Four Hundred Thousand Dollars (\$400,000), with interest, and in accordance with the terms herein, under the County of San Bernardino Home Investment Partnership Program Agreement (Property Loan) dated August 13, 2002 and amended May 20, 2003, for the purpose of developing a new affordable housing project to be named "Central City Lutheran Mission Apartments" (the "property") located at 539 West Shamrock Street and 349 West Jackson Street in the City of Rialto.

The Loan, and this Note, are secured by a Deed of Trust of even date herewith, executed by Central City Lutheran Mission (CCLM), (BORROWER) in favor of the herein-named payee. Central City Lutheran Mission (CCLM), will act as Managing General Partner of this affordable housing development. This Deed of Trust is executed in favor of the Department of Economic and Community Development, an agency of the County of San Bernardino (COUNTY), and is to be repaid in accordance and subject to all of the terms and conditions of this PROMISSORY NOTE as follows:

1. Term of this Note is 20 years. Affordability Period is 20 years from the date of occupancy for 7 HOME-assisted units.
2. Repayments of this Note shall be deferred and accrue no interest for a period of 5 years, commencing June 1, 2003, and continuing through May 31, 2008. At the end of the five-year period or any year prior to the end of the five year period where net profit exceeds 15%, the COUNTY may require an appropriate repayment to begin. The amount and terms of the repayment of the Note will be determined by the COUNTY after a review of Annual Financial Statements. The loan will begin to accrue interest at a rate of 3% per annum and the BORROWER will begin repayment of the loan.
3. The COUNTY shall extend the deferment for an additional five (5) year period if all terms and conditions set forth in this Agreement have been met. The entire loan shall be forgiven if all terms and conditions set forth in said Agreement are met for the entire 20 year period of affordability. The Note may become immediately due and payable upon sale or transfer of the property, as determined in writing by the COUNTY.
4. In installments and at the times hereinafter stated, for value received, BORROWER(S) promise(s) to pay to COUNTY OF SAN BERNARDINO DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT on order the principal sum of Four Hundred Thousand Dollars (\$400,000) with interest from June 1, 2008, on the amounts of principal remaining from time to time unpaid, until said principal sum is paid, at the interest rate of three percent (3%), per annum. Principal and interest due in monthly installments of

\$2,762.33 or more on the 1st day of June, 2008, and continuing through May, 2023. (Payments amortized over fifteen years.)

5. BORROWER agrees to be responsible for any increased costs not included in the amount of this loan and understand that any additional monies necessary to complete the acquisition/rehabilitation of the property must be furnished by the BORROWER and are not a part of this Note.
6. BORROWER will promptly pay all taxes, levies, and assessments on the property for the term of this PROMISSORY NOTE.
7. BORROWER agrees that the property shall be kept insured against loss by fire and/or other hazards in a sum not less than the amount of all indebtedness on the property including, but not limited to, the original balance of said HOME Program loan. The COUNTY shall be named in the loss payable clause of the policy and shall be provided with a current copy of the policy during the term of this loan.
8. BORROWER or his/her representatives must notify COUNTY in writing prior to the sale, conveyance, or transfer of the property.
9. Should BORROWER agree to or actually sell, convey, transfer, or dispose of the real property described in the Deed of Trust securing this Note, or any part of it, or any interest in it, or should a transfer of the property occur by operation of law, (except as provided for in the HOME Agreement) the entire remaining principal balance may become immediately due and payable as determined in writing by the COUNTY.
10. BORROWER agrees to comply with all laws, regulations, covenants, conditions, and restrictions affecting the property.
11. BORROWER agrees that COUNTY is not to be held liable for any deficiency in the workmanship or materials supplied by any contractor(s) performing any work on the property at any time. COUNTY DISCLAIMS ALL WARRANTY LIABILITY THAT ANY WORK UNDERTAKEN BY ANY CONTRACTOR(S) AT ANY TIME WILL PROPERLY CORRECT HOUSING CODE VIOLATIONS OR MINIMUM STANDARDS OF FITNESS OR MERCHANTABILITY, expressed or implied.
12. BORROWER shall indemnify, defend and hold harmless COUNTY, its officers, agents, employees and volunteers from any and all claims, losses or legal actions arising from any and all of the actions of BORROWER, its employees, agents, contractors, subcontractors, tenants, and volunteers arising out of this PROMISSORY NOTE.
13. If any provision of this Note is found to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue with full force and effect without being impaired or invalidated in any way
14. No waiver by either party of any of the herein terms and conditions shall constitute a continuing waiver of such terms or conditions.

15. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter hereof, and no other agreement, statement, or promise relating the subject matter of this Agreement which is not contained herein or in the Deed of Trust executed herewith, shall be valid or binding on either of the parties.
16. BORROWER agrees to comply with the terms of this PROMISSORY NOTE, the related DEED OF TRUST and the County of San Bernardino's HOME Program Loan Agreement. Should BORROWER fail to comply with the terms of this PROMISSORY NOTE or of the accompanying DEED OF TRUST, BORROWER will be in default and the entire HOME Loan shall immediately become due and payable, subject to the conditions outlined above.
17. BORROWER agrees that the improved property shall not be converted to for-sale condominium units during the term of this Agreement.
18. BORROWER agrees not to discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any Federal, State or local housing assistance program or, except for a housing project for elderly person, on the basis that the tenants have a minor child or children who will be residing with them, for at least 25 years beginning on the date of initial occupancy.
19. If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorney's fees in addition to any other relief to which it may be entitled.
20. BORROWER acknowledges that COUNTY has furnished BORROWER with a true copy of this document.

BRANDI MALONE, Director
Supportive Housing Program
Central City Lutheran Mission (CCLM)

Date

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

**COUNTY OF SAN BERNARDINO
Department of Economic and Community
Development
290 North "D" Street, 6th Floor
San Bernardino, CA 92415-0040
Attn.: Housing Development Section**

EXEMPT PER GOVERNMENT CODE 6103

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made this _____ day of _____ 2003, among the Trustor, Central City Lutheran Mission (CCLM) (hereinafter "Borrower"), the County of San Bernardino, a public agency (hereinafter "Trustee"), and the Beneficiary, which is the Department of Economic and Community Development, an agency of the County of San Bernardino, a public agency (hereinafter "Lender").

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with the power of sale, the following described property located in the County of San Bernardino, State of California:

The land referred to herein is situated in the State of California, County of San Bernardino, is described as Exhibit A, and has the address of:

539 West Shamrock Street and 349 West Jackson Street, Rialto CA 92376 (herein "Property Address") 0127-361-17 & 0127-302-14
Street City State Zip APN

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), all of which shall be deemed to be and remain a part of the property covered by this Security Instrument; and all of the foregoing, together with said property (or the leasehold estate if this Security Instrument is on a leasehold) are hereinafter referred to as the "Property".

TO SECURE to Lender the repayment of the indebtedness evidenced by Borrower's Promissory Note dated May 20, 2003, and extensions and renewals thereof (hereinafter "Note"), in the principal sum of \$400,000 (Four Hundred Thousand U.S. Dollars) advanced in accordance and herewith to protect the security of this Security Instrument; and the performance of the covenants and agreements of Borrower herein contained. The loan evidenced by the Promissory Note and secured by this Security Instrument is being made pursuant to the HOME Investment Partnership Program and the Regulations issued thereunder.

BORROWER covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and any other encumbrances of record acceptable to the Lender, that the Property is unencumbered. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

The provisions contained in this Deed of Trust are incorporated herein as fully as though set forth at length and in full herein.

Signature

Central City Lutheran Mission

MUST ATTACH NOTARY ACKNOWLEDEMENT

DEED OF TRUST

Central City Lutheran Mission (CCLM)
May 20, 2003

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal indebtedness evidenced by the Promissory Note.
2. **Funds for Taxes and Insurance.** Subject to applicable law, Borrower shall pay to the Senior Lien Holder(s) a sum (herein "Funds") equal to: (a) yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Security Instrument, and ground rents on the Property, if any; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly premium installments for hazard insurance; (d) yearly premium installments for mortgage insurance, that are reasonably estimated initially and from time to time by the Senior Lien Holder(s) on the basis of assessments and bills and reasonable estimates thereof. If there is no Senior Lien Holder(s), Borrower is to make all payments for taxes and insurance to the Lender. Borrower shall not be obligated to make such payments to the holder of a prior mortgage or Deed of Trust if such holder is an institutional Lender. Said payments shall be made on the first day of each month. If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency. Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Security Instrument that interest to be paid to the Lender shall not be paid to Borrower, and unless such agreement is made of applicable law that requires such interest to be paid, Lender shall not be required to pay borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the funds was made. The funds are pledged as additional security for the sums secured by this Security Instrument. If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require. Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to borrower any Funds held by Lender. If the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.
3. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, Deed of Trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument and leasehold payments or ground rents, if any.
4. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards, including floods or flooding. This insurance shall be maintained in the amounts and for the periods that the Senior Lien Holder(s) and/or the Lender may require and in such amounts and for such periods as the Senior Lien Holder(s) and the Lender may require. The insurance carrier providing the insurance shall be chosen by Borrower. All insurance policies and renewals thereof shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Security Instrument. All original policies of insurance required pursuant to the Deed of Trust shall be held by the Senior Lien Holder(s); provided, however, Lender may be named as a loss payee as its interest may appear and may be named as an additional insured. If Lender requires, Borrower shall promptly give to Lender copies of all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier, the Senior Lien Holder(s) and the Lender. Lender may make proof of loss if not made promptly by the Senior Lien Holder(s) or the Borrower. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If the Property is abandoned by Borrower, or if the Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Security Instrument. Notwithstanding the above, the Lender's rights to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holder(s) to collect and apply such proceeds in accordance with the Deed of Trust
5. **Occupancy, Preservation and Maintenance and Protection of the Property.** Occupancy of the units shall be restricted in accordance with the HOME loan agreement and the HOME Program Regulations. Borrower shall be responsible for maintaining the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold.
6. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or if any legal action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument. Any

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May 20, 2003

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amounts disbursed by Lender pursuant to this paragraph 7, including interest thereon, at the Note rate, of any such senior lien if such sum be disbursed, shall become additional indebtedness of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder. Prior to taking any actions, Lender shall notify the Senior Lien Holder(s) and shall provide the Senior Lien Holder(s) with opportunity to cure a default hereunder advanced by the Senior Lien Holder(s) and shall be secured by the Deed of Trust. The Senior Lien Holder(s) shall have the right to exercise all rights and remedies under the Deed of Trust.

7. Mortgage Insurance. If Senior Lien Holder(s) requires mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect.

8. Inspection. Lender or its agent may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust. In the event of a total taking of this Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to the Borrower.

10. Borrower not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of the sums secured by this Security instrument granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify the sums secured by this Security instrument by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several.

12. Notices. Except for any notice required under applicable law to be given in another manner: (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein; and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein. Any notices required to be given to the Lender shall be given by first class mail to the following address: **COUNTY OF SAN BERNARDINO DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT, 290 NORTH "D" STREET, 6TH FLOOR, SAN BERNARDINO, CA 92415-0040 ATTENTION: HOUSING DEVELOPMENT DIVISION** or such other address the Lender designates by notice to the Borrower.

13. Governing Law; Severability. The state and local laws applicable to this Security Instrument shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Security Instrument. In the event that any provision or clause of this Security Instrument or the Promissory Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Promissory Note which can be given effect without the conflicting provision, and to this end the provisions of this Security instrument and the Promissory Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

14. Borrower's Copy. Borrower shall be furnished a conformed copy of the Promissory Note and Security Instrument at the time of execution or after recordation hereof.

15. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred because Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. This option shall not be exercised by the Lender if the exercise is prohibited by federal law as of the date of this Security Instrument.

If the Lender exercises this option, Lender shall give Borrower and the Senior Lien Holder(s) prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which the Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

16. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days before the sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Promissory Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to reasonable attorney's fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon

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reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 16. Notwithstanding, Lender's right to invoke any remedies hereunder, as provided in Section 7 above, Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder(s) at least 60 days prior written notice. The Borrower and the Lender agree that whenever the Promissory Note or this Security Instrument gives the Lender the right to approve or consent with respect to any matter affecting the Property or otherwise, and a right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder(s) pursuant to the Deed of Trust, the Senior Lien Holder(s)'s approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

17. Sale of Note; Change of Loan Servicer. The Promissory Note or a partial interest in the Promissory Note (together with this Security Instrument) may be sold one or more times without prior notice to the Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that may collect monthly payments under the Promissory Note and Security instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Promissory Note. If there is a change in the Loan Servicer, Borrower will be given written notice of the change in accordance with Section 13 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments, if any, should be made. The notice will also contain any other information required by applicable law.

18. No Assignment. Until the loan secured by the Deed of Trust has been satisfied in full, Lender and the Borrower agree that the Promissory Note and the Security Instrument will not be assigned without the Senior Lien Holder(s)'s prior written consent.

19. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow any one else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate for normal residential uses and for maintenance of the Property. Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, Borrower shall notify the Senior Lien Holder(s) that such remedial action is necessary and shall obtain the Senior Lien Holder(s)'s prior written consent for such remedial action. As used in this Section, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section, "Environmental Law" means federal laws and the laws of the jurisdiction where the Property is located that relates to health, safety and environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

1. Acceleration; Remedies. Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Security Instrument, Lender prior to acceleration, shall give notice to Borrower as provided in Section 13 hereof specifying: 1) the breach; 2) the action required to cure such breach; 3) a date, not less than 30 days from the date of notice is mailed to Borrower (and with respect to the Senior Lien Holder(s), 60 days from the date the notice is given to the Senior Lien Holder(s)), by which such breach must be cured; and 4) that that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, and the Senior Lien Holder(s) has not exercised its right to cure the breach, then Lender, at Lender's option, may declare all of the sums secured by this Security Instrument to be immediately due and payable without further demand and may invoke the power of sale and acceleration of the sums secured by this Security Instrument and sale of the Property. Notwithstanding Lender's right to invoke any remedies hereunder, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder(s) at least 60 days prior written notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies including, but not limited to, reasonable attorney's fees and costs of title evidence. If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall mail copies of such notice in the manner prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

DEED OF TRUST

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Trustee shall deliver to the purchase Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees and costs of title evidence; (b) to all sums secured by this Security Instrument; and (c) the excess, if any, to the person or persons legally entitled thereto.

2. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration hereof or abandonment of the property, Lender, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Lender and the receiver shall be eligible to account only for those rents actually received.

3. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing indebtedness secured by this Security instrument to the Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

4. Substitute Trustee. Lender, at Lender's option, may from time to time appoint a Successor Trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of the county where the Property is located. The Instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Instrument is recorded and the name and address of the successor trustee. The Successor Trustee shall, without conveyance of the Property, succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

5. HOME Loan Agreement: This property is subject to all Terms and Conditions of the applicable HOME Loan Agreement, on record with the Clerk of the County Board of Supervisors. The Affordability Period extends for 20 years from date of occupancy.

REQUEST FOR FULL RECONVEYANCE (To be used only when note has been paid)

TO: County of San Bernardino Trustee:

Dated: _____

The undersigned is the holder of the note or notes secured by this Security Instrument (Deed of Trust). Said Promissory Note or Notes, together with all other indebtedness secured by this Security Instrument (Deed of Trust), have been paid in full. You are hereby directed to cancel said Promissory Note or Notes and this Security Instrument (Deed of Trust), which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Signed

Dated:

All other provisions and terms of AGREEMENT remain the same and are hereby incorporated by reference.

IN WITNESS WHEREOF, the parties have caused this Agreement Amendment to be executed as of the day and year first written above.

COUNTY OF SAN BERNARDINO

CENTRAL CITY LUTHERN MISSION

By: _____
DENNIS HANSBERGER, Chairman
Board of Supervisors

By: _____
BRANDI MALONE, Director
Supportive Housing Program

Dated: _____

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIRMAN OF THE BOARD

J. RENEÉ BASTIAN
Clerk of the Board of Supervisors
of the County of San Bernardino

By: _____

Dated: _____

APPROVED AS TO LEGAL FORM

ALAN K. MARKS
County Counsel

By: _____
MICHELLE D. BLAKEMORE
Deputy County Counsel

Dated: _____